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SUBJECT: Tibetan Refugees Hard Hit by Maoist Insurgency

REFS: A) Kathmandu 655, B) 01 Kathmandu 2352

1. (SBU) Summary. Nepal's Tibetan refugee community has been seriously affected by the violent Maoist insurgency, most directly by a recent string of bombings at Tibetan-owned carpet businesses and threats to Tibetan-run tourist facilities. Tibetans have made a significant contribution to Nepal's economy, although many of their carpet factories - that once generated one-fifth of the country's foreign exchange - now sit idle due to problems related to the insurgency and a general market downturn. A Tibetan refugee hotel owner told Poloff a tale of attempted extortion typical of recent problems encountered by long-term Tibetan residents in the deteriorating security environment. In the face of these problems many Tibetans have chosen to put their first country of asylum behind them and take flight once more. End Summary.

Maoist Insurgency Pinches Tibetan Community

2. (U) Of the many ethnic communities in Nepal, the Tibetan refugees have perhaps been most seriously affected by the violent Maoist insurgency that has now spread to all but one of the country's 75 districts. In the past six months suspected Maoist attacks against three Tibetan-owned carpet businesses have left the community on edge (Reftels). The effects of the decline in tourism - another industry with substantial Tibetan investment - have also hit the community hard.

Tibetans and Nepal's Economy

3. (SBU) Although there has been a Tibetan community in Nepal for millennia, the Tibetan refugee community dates back to the 1959 flight of the Dalai Lama from Tibet. Initially the GON allowed Tibetans to stay, but in 1989 it reversed this policy and now no longer accept new Tibetan refugees for resettlement. However, since 1989 the GON has worked with UNHCR to ensure that intending refugees from Tibet are afforded safe passage to India.

4. (U) Nepalese readily admit that the Tibetans have made a significant contribution to Nepal's economy. Legally, Tibetan refugees are not permitted to work in Nepal, but in practice, the GON has long allowed them to engage in trade and entrepreneurial activity so long as they do so in tandem with local partners. Tibetan-owned enterprises employ tens of thousands of people.

5. (U) The Tibetans brought the art of carpet weaving along with them to Nepal and established the country's first carpet factories. In recent years carpet exports accounted for nearly twenty percent of foreign exchange earnings. However, due to problems related both to the insurgency and to the global economic downturn, this figure has gone down as many Tibetan carpet businesses have either folded or dramatically downsized.

Trouble Began Two Years Ago

6. (SBU) For nearly four decades, Tibetan refugees lived - and for the most part thrived - as just another of the many ethnic groups inhabiting Nepal. That began to change in recent years as the Maoist insurgency gathered steam. To solicit contributions, Maoists have approached Tibetan homes, businesses - and even monasteries. Last year when the Maoists planned a mass rally in Kathmandu, groups of insurgents approached monasteries in the Boudha area of the city to insist that the monks provide room and board to Maoists who were coming to the city to join the rally.

Maoist Extortion?

7. (SBU) One businessman approached Poloff to tell a story illustrative of the problems facing the Tibetan refugee community as a result of growing lawlessness related to the insurgency. The man, who operates a hotel in

Kathmandu's tourist quarter, has been in business in Nepal for more than three decades. Life in Nepal was peaceful and uneventful, he says, until he began to feel the pinch of the decline in tourism and the deteriorating law-and-order situation about two years ago.

18. (SBU) The hotelier's serious troubles began in August, 2001, when he received a letter - purportedly from the Maoists - threatening his property and family. It said he would be contacted by phone. Within days a call came demanding 200,000 Nepali Rupees (NRs.), about USD 2500. Three men came to his hotel and - after hard bargaining - he paid 50,000 Rs. (USD 650). The men gave him a receipt printed with Maoist slogans.

Police and Thieves

19. (SBU) The story took a disturbing turn in January 2002, when one of the three men returned to the hotel claiming to be a police officer. He invited the hotelier to visit him at the official Police Club, where they sat in a small waiting room inside the main gate. The man - who had a pronounced scar on his cheek - explained that he was a policeman, but also worked for the Maoists. He displayed a letter on Home Ministry letterhead that identified the hotelier as a Maoist contributor. If this letter is sent to the police post in your area, the man with the scar said, they will arrest you. He offered to exchange the file for money: 400,000 Rs. (USD 5000). The hotelier paid 100,000 Rs. on the spot, and arranged to meet the next day to pay the balance.

No Such File

10. (SBU) After that encounter, the hotelier went to the police station to report what happened. The police told him they had no such file tagging him as a Maoist supporter. They offered to wait for the man at the agreed-upon meeting point and arrest him. The next day the man called to cancel the appointment. After that, the man would call again to schedule meetings, the hotelier would inform the police, who would then stake out the scene. Each time the man would fail to show. The police brought the hotelier to see line-ups of scar-faced men. Officers were sent to guard his hotel around the clock, but after a month, as the hotelier prepared to leave for India one day, the police guards left early in the morning. Within the hour the man with the scar and two accomplices entered the hotel and threatened to arrest the owner if he did not pay. He left after accepting a few thousand Rupees and a promise of more.

No Way Out

11. (SBU) Fearful for his own and his family's safety, the hotel owner no longer travels alone or at night. He suspects the extortionist has ties to the police - the man used the police club as a meeting point and seemed to have access to inside police information - and now feels he cannot rely on the police to protect him. Even if the extortionist were arrested, he doubts there would be enough evidence to hold him. All he can do, he believes, is avoid the extortionists as much as possible and push them back with small sums and vague promises. Eventually, he hopes, they will lose interest and leave him alone. Until that time he lives in fear, he says.

Exodus

12. (U) We have heard countless tales resembling the hotelier's in one way or another. As a result of these and other incidents thousands of ethnic Tibetans have left Nepal in the past decade, fleeing increasing instability and economic uncertainty. Many left for the U.S., Canada, Australia or Europe. Others sought employment in Hong Kong or Japan. Still others moved south; many of Nepal's Tibetans were educated at the boarding schools in India's hill stations. They are thus better prepared for life in India than in Nepal, where many opportunities are closed to them.

13. (U) Those who remained behind often comment, anecdotally, on the contraction of their community. Festivals that in previous years attracted thousands of Tibetan worshippers now attract only hundreds. Hearing complaints about the recent decline of Tibetan social life in Kathmandu, Poloff asked if the ongoing Maoist insurgency had kept people indoors at night. No, our contacts replied, the fact is that large numbers of young Tibetans have gone abroad and the parties have not been the same since.

Comment

14. (SBU) Faced with an increasingly inhospitable environment created in large part by the Maoist insurgency, many Tibetan refugees in Nepal have elected to pull up stakes. Most of those leaving are the children of refugees who fled Tibet in the late 1950s, and are thus doubly displaced. Sadly, until the recent troubles most Tibetans in Nepal had been able to flourish both economically and culturally. Excluded from the local political system, they can now only watch as their businesses come under siege and economic conditions worsen. As shown by the case of the attempted extortion of the Tibetan hotelier, regardless of whether Nepal's Tibetan refugees are being victimized by the Maoists, the Police or people purporting to be police, or merely by opportunistic gangsters, many now live in fear. Staying in Nepal is no longer worth the trouble and many are choosing to shutter their businesses and leave.

MALINOWSKI